App. F. IX-4

Previous References.
Ltr 52-45-12-13.

1954 (Ind.)

File No. 199-54.
Serial Nos. 7-9

Later References.

MYSORE GOVERNMENT SECRETARI

Serial Nos. Three only —

Part B for July 1955.

SUBJECT

Business purchase consideration of the Mysore Lac and paint works Limited — payment of balance due to Government.

No. I. 1653. WD 06701—GPB—25,000—11-8-54

D. 1/9/55

The A. G. through F.D.

C. V. Rajanna.
3/9/55

764/9:

The Board of Directors have decided in their resolⁿ (copy enclosed) to pay a sum of Rs 15000/ to Govt immediately towards dues of purchase consideration amounting to Rs 63751-10-9. The A.G. proposes the desirability of levying interest ~~on~~ the dues.

The Fin Br may perhaps be consulted.

Submitted for orders.

10/6.

4 The amount still due by the company on account of purchase consideration is Rs: 63,751-10-9 according to A.G. The Company proposes to adjust this against the paid call amount of the shares already purchased by Govt. The A.G. has also suggested that necessary funds may be provided under '72 capital outlay — Investment in shares.

764/I

of commercial concern" to meet his reserve liability under that head should the share-call materialise this year and also that the question of levying an interest on the amount due from the Company until it is adjusted towards share call may be considered.

5) For favour of remarks on both the suggestions

Fl. Secy) (Dev. Secy. concd.)

FINANCIAL SECRETARY
GOVT: OF MYSORE
19 JUN 1954
U. O. No. 3088 Fl.

SECRETARIAT DEVELOPMENT DEPARTMENT
1861
22 JUN 1954
Government of Mysore

6) It is desirable that the Company is also consulted re: suggestion of A.-g.- to levy interest so that Govt may know their reaction.

Dy Secy

7. Submitted with a draft for approval.

30/6.

1/7/54.

8. Issued D.O. No. D. 1316, D. 12.6.54, to the Managing Dir., Dve M. L. & P.D. Requesting to furnish remarks in the matter.

Bus ... 764/3105/9.

Ref. No. T. 14/M.I.C/49 dated ...

Sub: ...

1. The remarks called for from the Nys Lac & Paint Works Ltd is awaited.

2. Submitted with a draft reminder for approval.

11.9.58

1/10 22/9.

Issued A.M.D. 2618, D. 8.X.58

To

The Managing Dir,
The Mysore ... Paint Works

Letter No. 2240 dated 20-10-1954 from the Genl Manager & Secretary, the Nys Lac & Paint Works Ltd forwarding the resolution of the Board dated 16-9-54 in the matter. ~~and stating that the~~

12 From the Resolution, the Board has drawn attention to the terms of agreement entered into ~~of purchase~~ between the company and Govt and stated that the in accordance with that the balance will be adjusted towards the share capital as and when the balance of call ~~will be adjusted~~ will be made by the Directors. The Board are of opinion that no cash is payable at present.

13 Submitted for orders in consultation with Fin Sectt. (Reg para 6)

14 The collection etc 52-45-13 containing the relevent portion of agreement is placed below. (Flag A, page 2, item 2)

15) The letter is for perusal & return.

6/11.

8/11/58

Business Purchase Considerations of
the Mys Lac & Paints ...

3105/I

16) May be referred to F.D. for favour of further remarks, w.r.t. para 6

Dep. Secy. 19/12/11

SECRETARY DEVELOPMENT DEPARTMENT
13 NOV 1954
Government of Mysore

17) F/ Sg) 16/XI

FINANCIAL SECTION
GOVT. OF MYSORE
18 NOV 1954
U.O. No. 9329

18) The agreement specifies the following provision in respect of purchase consideration:

19) "The consideration for the said sale shall be the sum of Rs.1,54,000 (or other modified sum to be ascertained and fixed on revaluation on date of taking over the business and concern as set forth above) which shall be paid by adjustment towards Government share of the Capital, and in the event of the Govt. share of the capital being less than such amount, the balance shall be paid to the Vendors by the Purchaser."

20) The balance of liability due to Government is only - Rs.63,742-4-9 which is less than the call amount of Rs.75,000/- and as such, Directors feel that no cash is payable by the Company. The resolution of the Board on 16th September 1954 will perhaps cancel their earlier resolution in 1952 to pay Rs.15,000/- towards purchase consideration.

P.T.O.

Business purchase consideration by Local Paint Works Ltd - Payment - by Calendar...

3105/I

4736
Law 5427

9379

SECRETARY DEVELOPMENT DEPARTMENT
6057
24 NOV 1954
Government of Mysore

21) It is not clear whether the agreement would mean that Government should wait for their purchase consideration till the concern issues the share capital. Law Department may be consulted.

Dev Secy

22) May be referred to Law Secy. for favour of opinion.

Dev. Secy.

SECRETARY DEVELOPMENT DEPARTMENT
6100
25 NOV 1954
Government of Mysore

23) For favour of remarks.

Law Secy

LAW DEPARTMENT
8 DEC 1954

Law
sec
26/11/54

24. As seen from the letter dated 20-10-1954 addressed by the Mysore Lac & Paints works Limited the Govt. seem to have taken thirty thousand shares at Rs 2-8-0 Per share and thus the liability of the Govt. towards the Share Capital will be Rs 75000-0. Accordg. to clause 2 of the agreement, Consideration for the sale is Rs 154000 which shall be Paid by adjustment towards Govt. share of the capital and in the event of the Govt. Share of the Capital being less than such amount the Balance shall be Paid by the Vendors by the Purchaser. As seen from Para 20 Supra the Balance of liability due to Govt is only Rs 63742-4-9. and the Govt. will have

Business Purchase considerations of the Mys Lac & Paint Works Ltd. Payment of balance due to Govt — Rs. 36

3105/9

to pay about ~~Rs 4000-00~~ Rs 11000-00 and add to make up the sum of Rs 75000-00. Accordingly Clause (2) of the agreement. the Liability of the Mysore Lac & Paint works Ltd ~~with regard to~~ to pay cash amount with ~~aside as if the~~ the Share capital is of the Govt was less than the amount due by the company. In the Circumstances the Contention of the Mysore Lac. & Paint. Works Ltd Ltd in their letter dated 20-10-54 is correct and the Previous Resolution of the company to pay a cash sum of Rs 15000-00 cannot be given effect to. though it is not specifically mentioned in their letter dated 20-10-54

Development Secretary) 3/2/55.

SECRETARY DEVELOPMENT DEPARTMENT
82/5
14 FEB 1955
Government of Mysore

25. The Law Department's remarks is submitted for orders ~~in further consultation with Fin Dept~~

w.r. to para (21)

26. For favour of further remarks.

5/2/55.

8/2/55.

FINANCIAL SECRETARY
GOVT
17 FEB 1955
U. O. No. 1337/6

Fl. Secy) 15/2

27. F.D. has no further remarks.

Dev Secy) 23/2

24/2/55.

SECRETARY DEVELOPMENT DEPARTMENT
2157
24 FEB 1955
Government of Mysore

Business Purchase consideration of the Mys Lac & Paint Works Ltd - Payment of balance due to Govt.

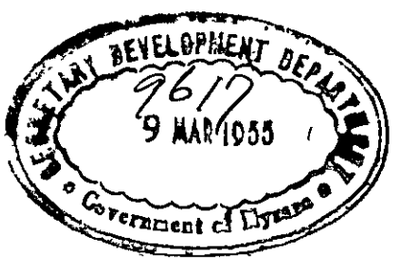
3/05/D.

28. Submitted for orders whether the remarks of the Law Secretary (Para 29) may be forwarded to the A.G. in reply to his letter dated 19-5-1954 also stating that the Govt agree to it.

26/2/55.

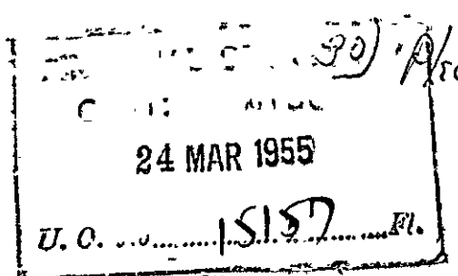
29) The A.G. may be informed in terms of the letter of the Co dt 20/10/54. The Law Dept. feels that the stand taken by the Co is correct.

Dy. Secy 9/3/55.



30) Please speak

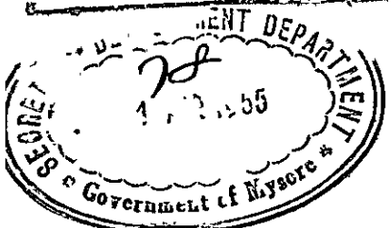
Rp. 12/3.



31) The Accountant-Genl will be informed accordingly if approved.

Min Home & Ind
Addl Sec

Rp. 23/3/55.



32) Rp 2/4
For Dy. Secy

3/4.

33) 21/4

19/4/55

Business Purchase Consideration of the
Mys Lac & Paint Works. Urdu ~~Pb~~.
Payment of balance due to Govt
3105/9 ∫1100/-.

34. Submitted with a draft for appl.

25/4

35 1 Secy.
4/5/55.

Do Issued D. no. 9. H5Q, D. 9. 5. 55
The A. G.

States that in the ~~ex~~ circumstances explained the Mysore Lac & paint Works cannot be called upon to pay the balance of amount due to Govt. in respect of the business purchase Consideration of the works.

Letter No. 295/TAD.14/G1C dated 7.6.55 from the A.G. requesting to communicate orders thereon to F.D.

36. Submitted with a draft for appl.

22/6.

Dft for appl.

Issue

Four copies of the letter are submitted for Communication to A.G. thro' F.D.

Supdt

11/7/55

Jt com no 2602

BS 11/7.

BS 1/7

Do Issued M. no. S. 1653, D. 1-7-55

The A.G. thro. FD.

4/7

BS 6/7/55.

2/7/55

764/I

OFFICE OF THE ACCOUNTANT GENERAL,
MYSORE,

No. T.14-Gde. 49 Ind. 199-54-7 Bangalore, dated 19th May 1954.

From

The Accountant General, Mysore,
Bangalore.

To

The Secretary to Govt. of Mysore,
Development Department, Bangalore.

Sir,

Sub:- Business purchase consideration of Lac & Paint Works Ltd. - Payment of balance due to Govt.

I am to state that a sum of Rs.63,751-10-9 is due from the Mysore Lac & Paint Works Ltd., Mysore towards the business purchase consideration, the Board of Directors of the Company have proposed to adjust this amount against final call amount on shares already purchased by the Govemmment vide Resolution of the Board of Directors dated 25th April 1952 (copy enclosed). In this case, the demand will have to be treated as an amount realised and credited to the appropriate accounts and simultaneously deemed to have been invested in shares already purchased. In the circumstances, necessary funds under & '72-Capital Outlay - (b) Investment in shares of Commercial Concerns' have to be provided to meet the Reserve liability on shares to be finally called for. It is not known when the call will be made by the Company. The dues from them to Government in consideration of purchase value have to be immediately liquidated as otherwise, it will not earn any return till it is actually invested in the concern. Hence the desirability of levy of interest on the dues by the company may have to be considered. I therefore request Government (1) to arrange to provide necessary funds under 72(b) Lac & Paint Works by suitable re-appropriation to meet the reserve liability if it should materialise in the current year, and (2) to consider the desirability of a levy of interest on the dues from this Company till the date of its adjustment towards share call.

Yours faithfully,

(G. Nanjundarpa)
Assistant Accounts Officer.

Encl.referred to overleaf.

Subject:- Business Purchase Consideration - Payment.

With reference to your letter No.302/TAD.14-A4. dated 15/17th March 1952, I am desired to intimate as follows:-

The question of payment of balance to the Govt.of Mysore towards Business Purchase Account, was considered by the Board of Directors in their meeting held on the 2nd inst., and the following resolution has been passed.

"Read reminder No.302/TAD.14-A4. of 15/17th March 1952 from the Accountant General regarding the payment of the balance of Purchase Consideration.

The Board decided that the Accountant General to the Govt. of Mysore be addressed to the effect that a sum of Rs.75,000 due to the Govt. as balance towards Purchase Consideration can be adjusted against the final call money payable to the Company by Govt., on account of the shares held by them. However, in view of the present market conditions, the Board considered it desirable to defer the calling up of the final call money. But in the meantime, a sum of Rs.15,000 may be paid to Govt. towards Purchase Consideration".

In view of the above resolution, a sum of Rs.15,000 will be paid to the Govt. towards Purchase Consideration immediately.

****

share call.

Yours faithfully,

(G. Nanjundappa)
Assistant Accounts Officer.

AVR:

*Encl.referred to overleaf.

Subject:- Business Purchase Consideration - Payment of Balance to Govt.

With reference to your letter No.302/TAD.14-A4. dated 15/17th March 1952, I am desired to intimate as follows:-

The question of payment of balance to the Govt.of Mysore towards Business Purchase Account, was considered by the Board of Directors in their meeting held on the 2nd inst., and the following resolution has been passed.

"Read reminder No.302/TAD.14-A4. of 15/17th March 1952 from the Accountant General regarding the payment of the balance of Purchase Consideration.

The Board decided that the Accountant General to the Govt. of Mysore be addressed to the effect that a sum of Rs.75,000 due to the Govt. as balance towards Purchase Consideration can be adjusted against the final call money payable to the Company by Govt., on account of the shares held by them. However, in view of the present market conditions, the Board considered it desirable to defer the calling up of the final call money. But in the meantime, a sum of Rs.15,000 may be paid to Govt. towards Purchase Consideration".

In view of the above resolution, a sum of Rs.15,000 will be paid to the Govt. towards Purchase Consideration immediately.

****

To M. Dhicha

The Chairman,
The Mys Lac & Paint Works Ltd
Mysore.

I 13/6/E:1
DT/7/54

Sir,

Sub: Business purchase consideration of the Mys Lac & Paint Works Ltd - Payment of balance due to Govt:

for favour of your remarks.

I am directed to forward herewith a copy of letter No. T. 14 Gde 49 dated 19-5-54 received from the A. G. on the above subject and to request that your remarks on the question of levying interest for the amounts due to Govt from the Co as suggested by A.G. may kindly be forwarded urgently

Y. F.

for Dewan

Pr

Ind. 199-54-F

TELEGRAMS: "PAINTS" MYSORE

THE MYSORE LAC & PAINT WORKS LTD.,

(INCORPORATED IN MYSORE)

TELEPHONE NO. 3105 I

INDUSTRIES EDIGA EXTENSION MYSORE

SRI. N. K. RANGA RAO, B.Sc., A.I.I.Sc.
General Manager & Secretary

Ref. No. :— 2240

Date 20.10.'54 *195*

SECRETARY DEVELOPMENT DEPARTMENT
2
22 OCT 1954
Govt
Government of Mysore

The Secretary to Government
Development Department,
Bangalore.

Dear Sir,

Subject:- Business Purchase Consideration of the Mysore Lac & Paint Works Ltd., - Payment of balance due to Govt.,

---

With reference to your letter No.I 1316 dt. 17.7.1954 forwarding a copy of letter No. T.14.GIC.49 dt. 19.5.1954 received from the Accountant General, Mysore and asking us for our remarks in the matter, I am desired to state as follows.

This matter was discussed in detail by the Directors of the company at their last meeting held on 16.9.1954 and the following resolution has been passed by the Directors.

> "Letter No.T14.GIC 49 dt. 19.5.54 addressed to Government by the Accountant General, Mysore which had been forwarded to the company by the Secretary to Government, Development Department as enclosure to his letter No. I.1316 dt. 17.7.54 for opinion, was read and discussed in detail.
>
> The amount lying to the credit of liability for business purchase account is not payable in cash in terms of the agreement of purchase between the company and the Govt., which lays down thatthe consideration for the sale shall be paid by adjustment towards Govt. share of the capital in the first instance and that the balance shall be paid to the vendor by the purchaser in the event of the Govt. share of the capital being less than such amount. The balance of liability due to Government is now only Rs 63,742-4-9 which is actually less than the call amount of Rs 75,000/- due by Government at Rs 2/8/- per share on the 30,000 shares. As no further amount is at present due by the company, resolved that Government be addressed intimating that the balance will be adjusted towards the share capital as and when the balance of call is made by the Directors, as per the terms of agreement entered into between the company and the Govt. at the time of transfer of the assets of the factory to the company."

The Directors are of the opinion that no cash is payable at present by the Company to Government in view of the above resolution.

Yours faithfully,

N K Ranga Rao

General Manager & Secretary.

GOVERNMENT OF MYSORE.

No. I 186|E:-/

Mysore Government Secretariat,

Dated Bangalore, 17th July *1954.*

FROM

The *Secretary to the Government of Mysore,*
Development Department.

To

The Managing Director,
The Mysore Lac & Paint Works Ltd.,
Mysore.

Sir,

Subject:- Business purchase consideration of the Mysore Lac & Paint Works Ltd.,- Payment of balance due to Government.

I am directed to forward herewith for favour of your remarks a copy of letter No.T.14.GIC.49 dated 19th May 1954, received from the Accountant General, Mysore, Bangalore, on the above subject.

Yours faithfully,

(K.Sankaran Nayar)
for Secretary to Government,
Development Department.

OFFICE OF THE ACCOUNTANT GENERAL,
MYSORE,

No. I.14/G.I.C/49. *Bangalore, dated* 25th Aug. *1954.*

From

The Accountant-General, Mysore,
Bangalore.

To

The Secretary to Government of Mysore,
Development Department,
Bangalore.

Sir,

Sub:- Business purchase consideration of Lac and Paint Works Ltd. payment of balance due to Government.

Ref:- This office letter of even No. dated 13-5-54 on the subject indicated above.

—

The information called for in this office letter referred above may kindly be furnished early as the reference is pending fo over two months.

Yours faithfully,

(N. Venkataramiah)
Asst.Accounts Officer.

To

Ind. 199-S'H-9

The A: G.

I H 5-2/E.I.
19/5/55

Sir,

Sub: Business Purchase consideration of Lac and Paint Works Ltd - Payment of balance due to Govt.

I am directed to invite reference to your letter No. T.14.G.9c.49 dated 19-5-54 on the above subject and to forward herewith a copy of letter No. 2240 dated 20.10.1954 received from the Mys Lac & Paint Works Ltd in the matter and ~~to state that~~ Govt are agreeable with the Board of Directors view that ~~the~~ no cash is payable at present by the Co to Govt.

In the circumstances explained therein the M.L.P. Works cannot be insisted upon to pay the balance amount due by it in respect of the business purchase consideration of the ~~M.L.P.~~ Works ~~and~~.

~~Enclosure~~

Y.F.

for Dep Secy

GOVERNMENT OF MYSORE

No. I. 452/E:1

Mysore Government Secretariat,
Dated, Bangalore 9th May 5

FROM

The *Secretary to the Government of Mysore,* Development Department, Bangalore.

To

The Accountant-General,
Mysore, Bangalore.

Sir,

Subject:- Business purchase consideration of the Mysore Lac and Paint Works Limited - Payment of balance due to Government.

I am directed to invite reference to your letter No. T. 14. G.I.C. 49, dated 19th May 1954, on the above subject, and to forward herewith a copy of letter No. 2240, dated 20th October 1954, received from the Mysore Lac and Paint Works Limited, in the matter.

In the circumstances explained therein, the Mysore Lac and Paint Works cannot be insisted upon to pay the balance of amount due to Government in respect of the business purchase consideration of the Works.

Yours faithfully,

(B. Lakshmana Rao)
for Secretary to Government,
Development Department.

Ind. 199-54-9

Memo No. I/653 Ind 199-53-9 Dated. 1/7/55
A Copy of the above is forwarded to the A.G. thro FD.

for Secy to Govt
Dev Dept

Copy of letter No. 2240, dated 20-10-1954, from the General Manager and Secretary, The Mysore Lac and Paint Works Limited, Mysore, to the Secretary to the Government of Mysore, Development Department, Bangalore.

Subject:- Business Purchase Consideration of the Mysore Lac and Paint Works Limited - Payment of balanc due to Government.

With reference to your letter No. I. 1316 dated 17-7-1954 forwarding a copy of letter No. T. 14. GIC. 49 dated 19-5-1954 received from the Accountant-General, Mysore and asking us for our remarks in the matter, I am desired to state as follows.

This matter was discussed in detail by the Directors of the Company at their last meeting held on 16-9-1954 and the following resolution has been passed by the Directors.

"Letter No. T. 14. GIC 49 dated 19-5-1954 addressed to Government by the Accountant-General, Mysore which had been forwarded to the Company by the Secretary to Government, Development Department as enclosure to his letter No. I. 1316 dated 17-7-1954 for opnion, was read and discussed in detail.

The amount lying to the credit of liability for business purchase account is not payable in cash in terms of the agreement of purchase between the Company and the Government, which lays down that the consideration for the sale shall be paid by adjustment towards Government share of the capital in the first instance and that the balance shall be paid to the vendor by the purchaser in the event of the Government share of the capital being less than such amount. The balance of liability due to Government is now only Rs. 63,742-4-9 which is actually less than the call amount of Rs. 75,000/- due by Government at Rs. 2-8-0 per share on the 30,000 shares. As no further amount is at present due by the Company, resolved that Government be addressed intimating that the balance will be adjusted towards the share capital as and when the balance of call is made by the Directors, as per the terms of agreem nt entered into between the Company and the Government at the time of transfer of the assets of the factory to the Company."

The Directors are of the opinion that no cash is payable at present by the Company to Government in view of the above resolution.

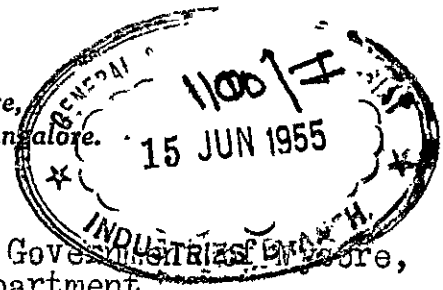
(B. Lakshmana Rao)
for Secretary to Government,
Development Department.

OFFICE OF THE ACCOUNTANT GENERAL,
MYSORE,

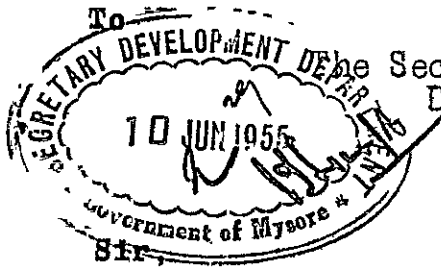
No. 295/T.A.D.14/GIC. *Bangalore, dated* 7th June *1955.*

From

The Accountant-General, Mysore,
Bangalore.



To



The Secretary to the Government of Mysore,
Development Department,
Bangalore.

Sir,

Ref: Your letter No.I.452/E.1 dt.9.5.55 regarding Business purchase consideration of the Mysore Lac and Paint Works Ltd.,

---

With reference to the letter cited above I would request you kindly to communicate orders through the Finance Department as it involves loss of interest to Government on the money till it is adjusted towards the share amount.

3105.

Yours faithfully,

(M.Venkataramiah)
Asst. Accounts Officer.

C--

[illegible] dated 9th May 1955, from the Secretary to Government, Development Department, Bangalore.
To the Accountant General, Mysore, Bangalore.

Subject:- Business purchase consideration of the Mysore Lac and Paint Works Ltd. - payment of balance due to Government.

I am directed to invite reference to your letter No.T G.I.C. 49, dated 19th May 1954, on the above subject, and t forward herewith a copy of letter No.2240 dated 20th October 1954, received from the Mysore Lac and Paint Works, Limited, in the matter.

In the circumstances explained therein, the Mysore Lac and Paint Works cannot be insisted upon to pay the balance of amount due to Government in respect of the business purchase consideration of the Works.

Memo No. I 653 /Inv 199-53-9 ನ್ಯಾ117/55

Copy of the above is forwarded to the Accountant General, Mysore, Bangalore, through the Financial Department.

(K.Sankaran Nayar)
for Secretary to Government,
Development Department.

Copy of letter No.2240 dated 20-10-1954, from the General Manager and Secretary, The Mysore Lac and Paint Works, Limited, Mysore, to the Secretary to the Government of Mysore, Development Department, Bangalore.

Subject:- Business Purchase Consideration of the Mysore Lac and Paint Works Ltd. - Payment of balance due to Government.

With reference to your letter No.I.1316 dated 17-7-1954 forwarding a copy of letter No.T.14.GIC.49 dated 19-5-1954 received from the Accountant-General, Mysore, and asking us for our remarks in the matter, I am desired to state as follows:

This matter was discussed in detail by the Directors of the Company at their last meeting held on 16-9-1954 and the following resolution has been passed by the Directors.

"Letter No.T.14 GIC 49 dated 19-5-1954 addressed to Government by the Accountant-General, Mysore, which had been forwarded to the Company by the Secretary to Government, Development Department as enclosure to his letter No.I.1316 dated 17-7-1954 for opinion, was read and discussed in detail.

The amount lying to the credit of liability for business purchase account is not payable in cash in terms of the agreement of purchase between the Company and the Government, which lays down that the consideration for the sale shall be paid by adjustment towards Government share of the capital in the first instance and that the balance shall be paid to the vendor by the purchaser in the event of the Government share of the capital being less than such amount. The balance of liability due to Government is now only Rs.63,742-4-9 which is actually less than the call amount of Rs.75,000/- due by Government at Rs.2-8-0 per share on the 30,000 shares. As no further amount is at present due by the Company, resolved that Government be addressed intimating that the balance will be adjusted towards the x share capital as and when the balance of call is made by the Directors, as per the terms of agreement entered into between the Company and the Government at the time of transfer of the assets of the factory to the Company."

The Directors are of the opinion that no cash is payable at present by the Company to Government in view of the above resolution.

(K.Sankaran Nayar)
for Secretary to Government,
Development Department.